

DECISION MAKING PROCESS IN CONSUMER PURCHASING BEHAVIOR: A CASE
STUDY AT TESCO PERINGGIT JAYA AND AEON BANDARAYA MELAKA

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PENGESAHAN PENYELIA

“Saya/Kami” akui bahawa telah membaca karya ini dan pada pandangan saya/kami”
karya ini adalah memadai dari segi skop dan kualiti untuk tujuan penganugerahan Ijazah
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“Saya akui laporan ini adalah hasil kerja saya sendiri kecuali ringkasan dan petikan yang tiap-tiap satunya saya telah jelaskan sumbernya”

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DEDICATION

For my dearest father and mother,
And for my sister and supervisor who always support me

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ABSTRACT

This study aimed to investigate the psychological factors that influence the decision-making process among consumers in purchasing goods at two supermarkets in the supermarket Tesco Peringgit Jaya and Aeon Bandaraya. A total of 100 male and female users responded to a survey consisting of Malays, Chinese and Indians. Simple random sampling method was used for the selection of the sample. The main objective of this study was to investigate whether psychological factors that influence decision making in buying goods in the supermarket two. In addition, this study will also look at the psychological factors that most influence the decision making process of consumers in the two supermarkets. In this study the researcher use the questionnaire as the main instrument for obtaining data in this study. Pearson correlation analysis was used to find the relationship between the two variables, and multiple regression analysis were used to study the psychological factors that most influence purchase decisions. Psychological factors are found to have any significant difference to the making purchasing decisions. The psychological factors that dominantly affects purchasing decisions making process among consumer at Tesco is Perception meanwhile, the psychological factors that dominantly affects purchasing decisions making process among consumer at Aeon is Learning.

ABSTRAK

Kajian ini bertujuan untuk mengkaji psikologi faktor yang mempengaruhi proses membuat keputusan dikalangan pengguna dalam membeli barangan di dua buah pasaraya di Melaka iaitu pasaraya Tesco di Peringgit Jaya dan Aeon Bandaraya. Seramai 100 orang pengguna lelaki dan perempuan telah dipilih sebagai responden kajian yang terdiri daripada Melayu, Cina dan India. Kaedah persampelan rawak mudah telah digunakan untuk pemilihan sampel kajian. Objektif utama kajian ini adalah untuk mengkaji apakah faktor-faktor psikologi yang mempengaruhi pembuatan keputusan dalam membeli barangan di dua buah pasaraya tersebut. Disamping itu kajian ini juga turut melihat faktor psikologi yang paling dominan mempengaruhi proses pembuatan keputusan di kalangan pengguna di dua buah pasaraya tersebut. Dalam kajian ini saya menggunakan kaedah soal selidik sebagai instrument utama bagi mendapatkan data dalam kajian ini. Analisis Korelasi Pearson digunakan untuk mencari hubungan antara kedua-dua pembolehubah, manakala analisis regresi berganda digunakan untuk mengkaji Faktor Psikologi yang paling mempengaruhi pembuatan keputusan pembelian. Setiap Faktor Psikologi didapati mempunyai perbezaan yang signifikan dengan pembuatan keputusan pembelian. Faktor Psikologi iaitu Persepsi merupakan faktor psikologi yang paling mempengaruhi pengguna Tesco manakala Pembelajaran pula merupakan faktor psikologi yang paling mempengaruhi pengguna Aeon dalam pembuatan keputusan pembelian.

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CHAPTER I

INTRODUCTION

1.1 Background of Study

In this era of globalization, people are experiencing changes increasingly complex both in terms of socio-economic or socio-cultural aspects. These changes lead to a change in lifestyle impact of technological developments in the market makes a country more complex by the day. Consequently, individuals within a society find it increasingly difficult to make a choice or decision in buying their daily needs. Various options provide benefits consumers offered by marketers or companies in a variety of forms of business and markets, so that consumers cannot distinguish between options that really can benefit them.

A reaction to changes in pricing, advertising and marketing method involves changing consumer preferences when prices fluctuate. Consumer groups are also sensitive to changes that involves the interests of choose and buy. A person is recognized as a consumer when he made the decision to buy a particular product. The consumer is plays an important role in the economic development of the country. According to Muhammad Faisal (2001), consumers make every day shopping and buy from the seller and then use the money to buy other things. Hence, it can move the economy in a positive way if directly the consumers spending to revive the economy of our country. This does not mean consumers should shop and buy things arbitrarily. Therefore, consumers should practice discretion in making spending. Consumers will also make decisions and considerations before choosing any goods. According to Engel (1978) the importance of consumers activities that affect their election observation and market behavior as a relationship with the seller, the media and the influence of advertising, information and decision making.

According to Lamb (2009) consumer behavior also explains how consumers make purchase decisions and how they use and dispose of purchasing goods or services, so we can understand the importance of consumer behavior for the marketer and as an important process in the purchase decision process. A marketers need to identify which consumers they are to be able to sell their products, generate revenue and profits but also can satisfy them for future purposes such as market share through recognition, and only once identified their consumer behavior can be achieved.

Apart from that, consumers are human beings who have a rational mind that it makes decisions making is beneficial to him. A consumer tries to satisfy itself to buy a certain quantity of product output in and have a specific behavior. From the various definitions given about consumer behavior, we can conclude that someone would use a product that was introduced, but if it does not fit, then they will stop using it and will look for other products. By such things there every consumers has their own favorite products and after like using these products then they will remain loyal to use the product. In addition, consumers can also be classified as long as anyone has a job and

their own income and the income that they can make a decision to choose properly by using basing their purchasing power compared with users who have to rely on other financial resources to make a purchase.

Consumer decision-making process begins with the identification of needs, when the stimulus and awareness for the necessity of far less satisfied. If additional information is needed to make the purchase decision process, consumers may be involved in an internal or external information search. Consumers then assess additional information and to create guidelines purchases. Finally, a decision will be made.

The consumer buying process is influenced by expectations pre-purchase, search the pre-purchased information and general level of self-confidence of consumers. Make the decision making process, the consumer fall into three broad categories. Firstly, consumer will be exhibiting behavioral responses to routine frequently purchased items with a low cost, requires little effort decision making, behavioral responses routine typically characterized by brand loyalty. Second, its consumers are involved in decision-making that is limited to occasional purchases or for an unknown brand in the product category known and that these three are consumer decisions when making purchases decision is far less known, expensive or rarely purchased.

According to Solomon Bamossy (2006) consumer behavior is the study of the process involved when individuals or group select, purchase, use or dispose of product, service, idea or experience to satisfy need and desire. By doing so, a reaction to price changes, advertising and marketing method involves changing consumer preferences. Consumers groups including those that are sensitive to changes involving selecting and buying.

1.2 Problem Statement

This study focuses on the psychological factors that influence the decision-making process in the selection of good among consumers and to examine which psychological factors that dominantly affect purchasing decisions making process based on motivation, perception, belief & attitudes and learning of the consumers in Tesco and Aeon Malacca. The first problem is consumer doesn't know which psychological factor that dominantly affecting them while purchasing the Tesco and Aeon product. The second problem is the lack of psychological factor will make them failing to purchase the required goods. In the psychological aspect, consumer really cares about their satisfaction in terms of the selection of items. During the process of making a decision to purchase goods among consumers, there are many factors that will affect it.

Identifying specific personality traits that explain differences in consumers' purchase, use, and disposition behavior mention by Hoyer (2010). Consumers have several needs which have to be observed and identified in order for the business to meet its consumer's behavior. Consumer's behaviors are influenced during their purchasing process by four specific characteristics, such as cultural, social, personal and psychological factors, this is also seen mentioned by Armstrong (2009), "Consumer purchases are influenced strongly by cultural, social, personal and psychological characteristics, marketers cannot control such factors, but they must take them into account". These four factors will be the key aspects towards what influences a consumer's behavior when purchasing a product. Another influence which would affect this consumer's behavior would be his personal characteristics such as his personal lifestyle, age and occupation, which can be also seen expressed by Kotler (2010). In this research, the researcher only focus on the psychological factors that influence the decision making in selecting goods among consumers at the two hypermarkets which is Tesco and Aeon Malacca.

The selection process is one of the procedures in purchasing activity by comparing something with something else to make a decision. Selection ethical decision did not voluntarily taken between two alternative labeled as good and bad.

Psychologists have said that one of the strongest variables in determining the strength of a habit is the number of confirmations received by an individual. According to the Law of Effect Thorndike, when a matter is followed by the conditions are satisfied, the power will increase and the possibility of that is repeated is great. But when something is accompanied by unfavorable conditions and soil strength will decline. An organism tends to repeat something that never satisfies him express by Berkman and Gilson (1981). This law can be attributed to the habit of buying things. When first purchased goods can satisfy the consumers the possibility or probability of re-election article is great.

Customers in making decisions about alternative products would consider social factors, personal, cultural and psychological stated by Kotler (2008). The main factors that into consideration in their purchasing decisions of customers are psychological factors include motivation, perception, belief and attitudes and learning. To analyze the behavior of consumers would be more successful if researchers can understand aspects of human psychology overall strength of cultural factors, economic principles and marketing strategies. As is often the behavior of customers affected by psychological factors that directly or indirectly affects consumer behavior in terms of the purchasing decision. The ability to analyze customer purchasing decisions attitude means success in soul-searching our customers to meet their needs.

According to Stephen P. Robbins (2008) the psychology may be defined as the science that seeks to measure, explain, and sometimes change the behavior of humans and other creatures. Psychological factor is the most fundamental factor in the individual that will affect the choices a person in purchasing. The components of the psychological factors based on motivation, perception, belief and attitude and learning. A boost in

define as a strong internal stimuli that urge towards an action.

Psychological factors are among the factors that arise from within ourselves, which influences customer purchasing decisions. Psychological factors consumers in making purchasing decisions consist of motivation, perception, attitudes and beliefs and learning in relation to the purchase of a product. Therefore, the researcher sought to analyze psychological factors that influencing purchasing decisions and examine which psychological factor that dominantly affect the purchasing decision process.

1.3 Research Question

Accordingly, this study attempts to look at the differences of psychological factors that influence the selection of items and to examine which psychological factor that dominantly affect the purchasing decision making process based on motivation, perception, beliefs and attitudes and learning. Based on the background of the above problems, the study is to answer two key questions such as the following:

1. What are the differences of psychological factors that influence the decision making in selecting goods among consumers at Tesco and Aeon?
2. Which psychological factors that dominantly affects purchasing decisions making process based on motivation, perception, beliefs and attitudes and learning of the consumers.